PROVINCE OF SASKATCHEWAN

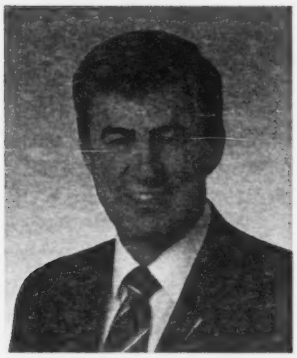
09-10

FINANCIAL STATEMENTS

MINISTRY OF EDUCATION

School Division Tax Loss Compensation Fund

Letters of Transmittal



The Honourable Dr. Gordon L. Barnhart, S.O.M., Ph.D.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Financial Statements of the School Division Tax Loss Compensation Fund for the fiscal year ending March 31, 2010.

Ken Krawetz
Deputy Premier
Minister of Education

The Honourable Ken Krawetz
Deputy Premier
Minister of Education

I have the honour of submitting the Financial Statements of the School Division Tax Loss Compensation Fund for the fiscal year ending March 31, 2010.

Audrey Roadhouse
Deputy Minister of Education

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the School Division Tax Loss Compensation Fund as at March 31, 2010 and the statement of operations and net assets for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 19, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

School Division Tax Loss Compensation Fund
Statement of Financial Position
As At March 31

ASSETS

	2010	2009
Due from General Revenue Fund *(Note 4)*	$ 7,189,613	$ 6,974,404
Accounts receivable	108,139	641,476
Interest receivable	4,528	18,266
	$ 7,302,280	**$ 7,634,146**

LIABILITIES and NET ASSETS

Liabilities		
Accounts payable	$ 296,652	$ 787,279
Net assets *(Statement 2)*	7,005,628	6,846,867
	$ 7,302,280	**$ 7,634,146**

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Statement of Operations and Net Assets
For the Year Ended March 31

	2010	2009
Revenue		
Contributions	$ 557,086	$ 1,128,875
Interest income	19,489	134,177
	576,575	1,263,052
Expenses		
Compensation to school divisions *(Note 7)*	417,814	846,656
Surplus for the year	158,761	416,396
Net assets, beginning of year	6,846,867	6,430,471
Net assets, end of year – to Statement 1	**$ 7,005,628**	**$ 6,846,867**

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Notes to the Financial Statements
March 31, 2010

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act*. The amendment came into force on June 22, 1993. Order in Council #840/94 established regulations to administer the Fund on December 14, 1994.

The Fund is administered by the Ministry of Education on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Ministry of First Nations and Métis Relations) and federal (Department of Indian and Northern Affairs Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Due to the inherent uncertainty involved in such assessments, actual results may differ from those estimates.

3. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Ministry of Education. Included in revenue is $167,126 (2009-$338,662) from the Ministry of First Nations and Métis Relations, of which $32,442 (2009-$115,189) was receivable at March 31, 2010. Other related party transactions are disclosed separately in these financial statements.

4. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for the year ended March 31, 2010 is 0.27% (2009-1.95%).

5. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable, interest receivable and accounts payable. Due to the immediate or short-term nature, the fair value of these financial instruments approximates their carrying values.

6. Cash Flow Statement

A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

7. Compensation to School Divisions

The following lists the distributions made to school divisions.

	2010	2009
Chinook SD #211	$ 15,676	$ 62,837
Good Spirit SD #204	25,805	137,111
Horizon SD #205	27,707	48,411
Living Sky SD #202	66,253	82,814
Northwest SD #203	57,604	51,815
Prairie South #210	7,372	-
Prairie Valley SD #208	201,956	463,668
South East Cornerstone SD #209	15,441	-
Total	**$ 417,814**	**$ 846,656**